THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI SATYABRATA MOOKHERJEE): (a) An export growth target of 12% in dollar terms has been fixed for 2003-04. In Rupee terms (at current exchange rates) it amounts to around Rs. 270480 crores as compared to Rs. 250130.02 crores in 2002-03. Provisional data on India's exports from Directorate General of Commercial Intelligence & Statistics (DGCI&S) is available only for the period April-May, 2003-04. In rupee terms, the exports were Rs. 41858.94 crores during April-May, 2003-04.

(b) and (c) Based on the strategies contained in the Medium Term Export Strategy 2002-07, announced in January, 2002, a number of programmes/schemes have been launched through the Union Budget, 2003-04 and Exim Policy, 2003-04. In the Exim Policy, 2003-04, besides the focus on Service exports, policies have been devised to strengthen Special Economic Zones (SEZs), 100% Export Oriented Units (EOU's), etc. A new programme called "Focus CIS" has been introduced. Duty Neutralization Schemes for import of inputs used for export production have been strengthened. Export Promotion being a constant endeavor of the Government, export performance is continuously monitored on a regular basis and the export growth rate during April-May, 2003-04 is 11.12% in dollar terms against the target of 12% for the whole year.

Industrial growth

28. SHRI RAJU PARMAR: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether it is a fact that industrial growth continued to remain robust in the last two quarters ending June, 2003 with the index of industrial production registering a marginal growth;

(b) if so, the details thereof;

c) whether the new growth drive could not emerge as the investment demand begins to pick up reacting to the restoration of demand supply in balances in several sectors; and

(d) if so, the steps being taken by Government to improve the rate of industrial growth in the next two quarters?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI CHENNAMANENI VIDYA SAGAR RAO): (a) and (b) Yes, Sir. The latest data on Index of Industrial Production (IIP) released by the Central Statistical Organisation (CSO) for April-May 2003-04 reveals a growth of 5% compared with 4.1% in April-May 2002-03. The growth rates registered during the last two quarters are given below:

Quarter	2001-02	2002-03
October-December	2.9	5.7
January-March	3.1	6.4

(c) The industrial growth during 2002-03 was primarily driven by manufacturing sector. The trends in Index of Industrial Production (IIP) at disaggregated level during April-May 2003-04 indicate robust growth in consumer goods apart from capital goods sector, which have driven overall industrial growth.

(d) The industrial situation is under constant review and appropriate measures are undertaken as and when necessary in the light of emerging trends keeping in view the broad policy objectives and overall macro economic situation. The Government has taken a number of measures to accelerate industrial growth. These among others include:

- The Budget for 2003-04 in particular lays emphasis on infrastructure development and enhancing of manufacturing sector efficiency. To this end it provides a major thrust to infrastructure principally to roads, railways, airports and seaports through innovative funding mechanism. To enhance efficiency, the budget has carried forward the process of excise duty rationalisation and further reduction in peack customs duty rate to 25 percent.
- To improve operating environment of the industry the Government has enacted several laws, which include the Competition Act and amendments to SEBI Act.
- In order to boost exports, the current EXIM policy seeks to consolidate and accelerate India's export growth by capitalising on the areas of its core competence. It lays special focus on potential high growth industrial sectors, namely, textiles, auto

components, gems & jewellery, drugs & pharmaceuticals and electronics hardware.

The Reserve Bank of India has continued its stance of following low interest rates in its latest credit policy announcement for 2003-04. Bank rate has been reduced to 6% from 6.25%. The Cash Reserve Ratio (CRR) has also been reduced to 4.50% from 4.75%. This will provide adequate liquidity to meet credit growth and support investment demand in the economy.

Restriction on Chinese Investments in Sensitives areas

29. SHRI ABANI ROY: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Government have decided to clamp down Chinese investments in sensitive sectors in the country;

(b) if so, the details thereof;

(c) whether DIPP has recently recommended that China be placed on a list of restricted countries under the provisions of the Foreign Exchange Management Act; and

(d) if so, to what extent Chinese investments in the country have been tightened?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI CHENNAMANENI VIDYA SAGAR RAO): (a) to (d) The Foreign Direct Investment (FDI) policy is reviewed on an ongoing basis, keeping in view the economic environment, strategic and safety/ security considerations. The policy incorporated as Schedule-I of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 does not restrict investments from China. FDI proposals, including proposals for investments from China, requiring prior Government approval are considered after necessary Inter-Ministerial consultations taking into account the sectoral policies as also strategic and security related considerations.